Month	Indian Basket of Crude Oil ($ per barrel)
September, 2008	96.81
October, 2008	69.12
November, 2008	50.91
December, 2008	40.61
January, 2009	43.99
February, 2009 (up to 9th)	44.27

(Note: The composition of Indian Basket of crude represents average of Oman and Dubai for Sour Grades and Brent (Dated) for Sweet Grade in the ratio of 62.3: 37.7)

(c) and (d) As the retail selling prices of sensitive petroleum products were not revised in line with increase in the international oil prices, it resulted in huge under-recoveries to the Public Sector Oil Marketing Companies (OMCs). These under-recoveries adversely impacted the financial health of the OMCs.

However, with the decline in the international prices of crude oil and petroleum products, the Government has already reduced the retail selling prices of sensitive petroleum products on two occasions as indicated below at Delhi, with corresponding reductions in the rest of the country:

Effective from 6.12.2008 - Petrol by Rs.5/- per litre and Diesel by Rs.2/- per litre; and

Effective from 29.1.2009 - Petrol by Rs.5/- per litre, Diesel by Rs.2/- per litre and Domestic LPG by Rs.25/- per cylinder.

Profits accruing to OMCs

206. SHRI M.V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that even after reducing Rs.5 on petrol and Rs.2 on diesel in January, 2009, the Oil Marketing Companies (OMCs) were making profit of nearly Rs.5 on petrol and Rs. 1 on diesel;

(b) whether it is also a fact that in view of further reduction on price of crude oil in the international market, the above profits have been widened on petrol and diesel;

(c) if so, whether it is a, fact that OMCs have been making profits on petrol and diesel even after reducing the price on petrol and diesel; and

(d) if so, how Government justifies in not brining down the price of petrol and diesel?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) to (d) The position of over-recovery on Petrol and Diesel since 16th January, 2009 is given below:

(Rs. per litre)

With effect from *	Petrol	Diesel
16th to 28th January, 2009	8.18	3.13
After price reduction:		
1st to 15th February, 2009	1.3	2.66

(*Refinery Gate prices are fixed on fortnightly basis)

Hence, it may be seen that the over-recoveries have come down from Rs.8.18 per litre to Rs.

1.30 per litre on Petrol and from Rs.3.13 per litre to Rs.2.66 per litre on Diesel, after the price reductions.

The average price of Indian Basket of crude oil which was $ 40.61 per barrel during December, 2008 averaged $ 43.99/bbl during January, 2009 and has been $ 44.27 per barrel in February, 2009 (up to 9th). The international crude oil prices have thus shown a minor increase.

Due to the high international oil prices, the Public Sector Oil Marketing Companies (OMCs) incurred under-recoveries of Rs. 1,06,215 crore on the sale of four sensitive petroleum products during the period April-December, 2008. As a result of these huge under-recoveries, the three OMCs - IOC, BPC and HPC have reported a combined loss of Rs. 11,094 crore for the period April-December, 2008 against a profit of Rs.9,679 crore in the corresponding period of 2007-08. These losses have accrued even after taking into account Oil Bonds of Rs.60,967 crore and price discounts of Rs.32,000 crore given by the Public Sector Upstream oil companies, during the period April-September, 2008,

However, with the decline in the international prices of crude oil and petroleum products, the Government has already reduced the retail selling prices of sensitive petroleum products on two occasions which are as indicated below (at Delhi), with corresponding reductions in the rest of the country:

- Effective from 6.12.2008 - Petrol by Rs. 5/- per litre and Diesel by Rs.2/- per litre; and
- Effective from 29.1.2009 - Petrol by Rs. 5/- per litre, Diesel by Rs.2/- per litre and Domestic LPG by Rs.25/- per cylinder.

Profit of oil companies

†207.SHRI PRABHAT JHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government and private oil companies of the country have been earning profit;

(b) if so, the details of profit earned by each of these companies;

(c) the per litre profit earned by these companies on petrol and diesel;

(d) the number of times oil prices increased in international market between June, 2004 and December, 2008 and the quantum thereof;

(e) whether it is also a fact that Government is not reducing the price of oil in accordance with its reduced price in international market; and

(f) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) The Public Sector Oil Marketing Companies (OMCs) reported combined loss of Rs.11,094 crore during the period April - December, 2008. The company-wise details of Profit after Tax for April-December, 2008 are as under:

†Original notice of the question was received in Hindi